Recording Reimbursements at Military Treatment Facilities

Third Party Collection Program

Military Services Account

Problem with Current Procedures

- Reimbursements are recorded in EORs that disburse without delay such as supplies.
- Current procedures distort and ultimately understate direct obligations in highly visible commodities (ex. Pharmaceuticals).
- Payroll accounts set up as reimbursable in DCPS may create automatic obligation before collections are available.

Recommendation

Record reimbursements in Object Class 27, EOR 2721.

Object Class 27

PURPOSE

Object Class 27: Distribution of costs to benefiting activities where the need does not exist to track at more detailed EOR levels.

EOR 2721: Overhead costs in which there is no need for distribution at specific EOR level.

EOR 27**

In accordance with DFAS Manual 37-100-**, EOR 27** *CAN ONLY* be used to transfer cost within the same:

- Appropriation Basic Symbol Number (BSN)
- Fiscal Year (FY)
- Allotment Serial Number (ASN)

Effective FY02

MTFs will record their Third Party Collection Program (TPCP) and Military Services Account (MSA) reimbursements in **EOR 2721**.

Applicable Reimbursement Source Codes

TPCP

935 – Outpatient

936 – Inpatient

MSA

930 – Collections from Indiv.

93A – Medicaid

93B – St. Workmen's Comp.

93C – Victims of Crime

EOR 2721

MUSTs

- At the BSN (e.g. 0130.1881), FY, ASN, and eight digit AMSCO, direct obligations, accruals, and disbursements in regular EORs must be equal to or greater than the amount credited in EOR 2721.
- At the end of each month, EOR 2721 debit entries in automatic and credit entries in direct must zero out at the 8-digit AMSCO and MEPRS code levels.
- Record reimbursables in 847700/ 847900 AMSCOs.

Recommended Procedures
MTF Budget Office Should

- Identify customers.
- Establish Accounting Processing Codes (APCs) for reimbursements.
- Process accounting entries before end of month reports.

Example

Identify Customer

TPCP Outpatient – Reimbursement Source Code 936

Collections from RSC 936 = $100K

Example
RSC 936
Establish APCs

APC	AMSCO	MEPRS CODE
APC #1 a & b	847700.25	BBA**
APC #2 a & b	847700.31	BDA**
APC #3 a & b	847700.32	BDB**
APC #4 a & b	847700.33	BDC**
APC #5 a &	847700.	BD***

Example

For each APC #1 - #5

- TWO APC s for each entry
- APC a = Direct, FAC code 3
- APC b = Automatic, FAC code 8

Example

Collect 100K; RSC 936
End of Month Status

112 Report: Orders & Earnings = $100K in RSC 936
218 Report: (Obligate, Accrue and Disburse)

EOR	APC	Direct	Automatic	Total
272 1	APC #1 a&b	-80	+80	-0-
272 1	APC #2 a&b	-5	+5	-0-
272 1	APC #3 a&b	-5	+5	-0-
272 1	APC #4 a&b	-7	+7	-0-
272 1	APC #5 a&b	-3	+3	-0-
		-100K	+100K	-0-

Example

Collect 80K in AMSCO 847700.25

End of Month Status

218 Report: (Obligate, Accrue and Disburse)

EOR	Direct	Automatic	Total
1**	+40		+40
*	+50		+50
26**	-80	+80	-0-
272	+10K	+80K	+90K
1			

Benefits of EOR 2721

- Collections can be recorded upon receipt as long as there are sufficient direct obligations and disbursements in the BSN, FY, ASN, and eight digit AMSCO to offset the credits in EOR 2721.
- Reimbursements will not distort EOR direct obligations.
- Eliminates problems with covering automatic payroll in the first month of the FY.

Coordination

- MEDCOM Finance & Accounting
- MEDCOM MEPRS
- San Antonio OPLOC
- TRICARE Management Activity